



County of Los Angeles  
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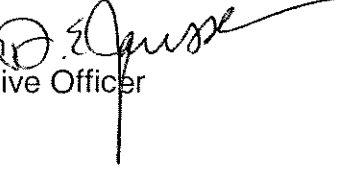
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Third District

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Fifth District

August 12, 2004

To: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Zev Yaroslavsky  
Supervisor Yvonne B. Burke  
Supervisor Michael D. Antonovich

From: David E. Janssen   
Chief Administrative Officer

**WASHINGTON D.C. UPDATE**

**Status of Centers for Medicare and Medicaid Services' (CMS) Proposed Implementation Approach to Reimbursement of Undocumented Immigrant Emergency Health Care**

The recent Medicare prescription drug law included a program to provide \$250 million annually, from FFY 2005 through FFY 2008, to reimburse public and private providers for emergency health care to undocumented immigrants, aliens paroled for the purpose of receiving emergency care, and Mexican citizens with 72-hour border-crossing permits. The County supported this provision of the bill as indicated in a January 9, 2004 CAO Washington Update.

The law requires the Secretary of Health and Human Services (HHS) to establish a process through which health providers will apply to HHS for reimbursement of their costs by September 1, 2004. On July 22, 2004, CMS issued a proposed implementation approach for public comment by August 16, 2004.

The estimated annual allotment for California is \$72.3 million, and the County's share of the funds will depend on its percentage share of total eligible costs in the State, using yet-to-be-finalized payment and cost methodologies. Please note that the \$72 million is far less than the actual costs of care borne by public and private providers.

The CMS proposed implementation approach relies on a claims basis linked to individual patient records which would be a huge administrative burden on providers

and likely present a barrier to care. Alternatively, the CAO and DHS have been working with health care providers such as CAPH and NAPH, and patient care and immigrant advocacy groups to develop comments urging an approach that is less administratively cumbersome. For example, a proxy method based on recent Medi-Cal payments to public and private hospitals for emergency care to undocumented persons, would distribute the money faster and in a more targeted fashion to highly burdened providers. This approach is consistent with previous approved methodologies adopted pursuant to the Balanced Budget Act of 1997, and the State Legalization Impact Assistance Grant of 1986.

We will continue to keep you advised.

DEJ:GK  
MAL:MT:ib

c: Executive Officer, Board of Supervisors  
County Counsel  
All Department Heads  
Legislative Strategist